

# Davis Financial Fund

## Premier Financial Sector Investment

### Symbols

A Shares RPFGX  
C Shares DFFCX  
Y Shares DVFYX



**High Conviction Best Ideas Portfolio**  
Financial companies selected using Davis Investment Discipline.



★★★★

Overall Rating as of December 31, 2018. 96 funds in the Financial category. Based on risk-adjusted returns.



**Outperformed XLF by almost 3% per year on average since XLF's inception<sup>1</sup>**



**Low Cost**

Expense ratio significantly below the category average.<sup>2</sup>



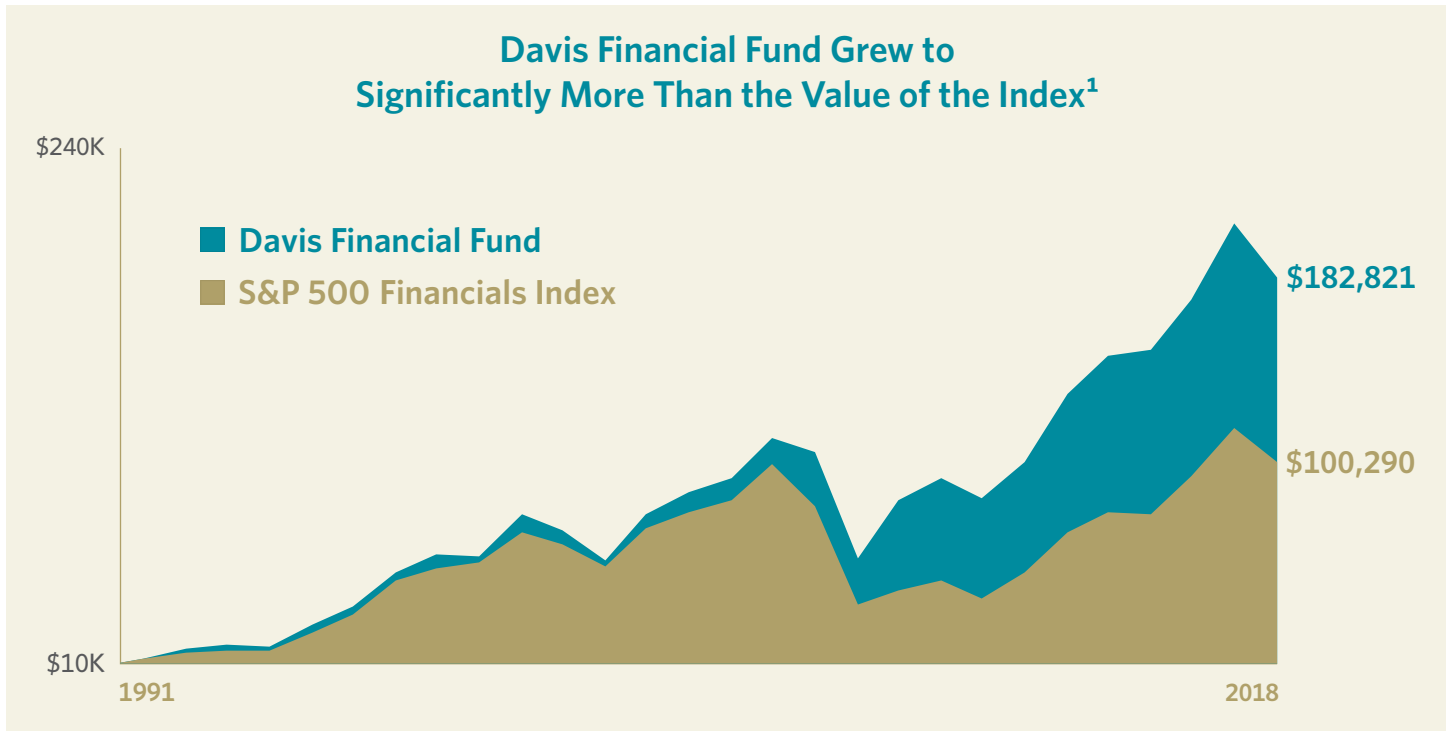
**Over 25 year track record of Successful Investing**



**Portfolio Manager Chris Davis Among Largest Shareholders**

Ensures interests aligned with clients.<sup>3</sup>

### Davis Financial Fund Grew to Significantly More Than the Value of the Index<sup>1</sup>



*The average annual total returns for Davis Financial Fund's Class A shares for periods ending December 31, 2018, including a maximum 4.75% sales charge, are: 1 year, -15.97%; 5 years, 5.80%; and 10 years, 11.77%. The performance presented represents past performance and is not a guarantee of future results. Total return assumes reinvestment of dividends and capital gain distributions. Investment return and principal value will vary so that, when redeemed, an investor's shares may be worth more or less than their original cost. The total annual operating expense ratio for Class A shares as of the most recent prospectus was 0.98%. The total annual operating expense ratio may vary in future years. Returns and expenses for other classes of shares will vary. Current performance may be higher or lower than the performance quoted. For most recent month-end performance, visit [davisfunds.com](http://davisfunds.com) or call 800-279-0279.*

The Morningstar rating/number of funds as of December 31, 2018 is: three years, 3 stars/96; five years, 4 stars/92; 10 years, 5 stars/77. Class A shares. **Past performance is not a guarantee of future results.**

1. Class A shares without a sales charge. As of 12/31/18. Inception date is 5/1/91. **Past performance is not a guarantee of future results.** XLF is the Financial Select Sector SPDR Fund. Its inception is 12/16/1998. Bar chart icon is not a representation of the performance of the Fund or XLF. See the endnotes for a description of the material differences between the Fund and XLF. Not a solicitation for XLF. **2.** Net expenses. As of the most recent prospectus. The expense ratio for Class A shares of the Fund vs. its peer is 0.98% vs. 1.46%. **3.** As of December 31, 2018.

*This report is authorized for use by existing shareholders. A current Davis Financial Fund prospectus must accompany or precede this material if it is distributed to prospective shareholders. You should carefully consider the Fund's investment objective, risks, charges, and expenses before investing. Read the prospectus carefully before you invest or send money.*

This report includes candid statements and observations regarding investment strategies, and economic and market conditions; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. These comments may also include the expression of opinions that are speculative in nature and should not be relied on as statements of fact.

**Objective and Risks.** Davis Financial Fund's investment objective is long-term growth of capital. There can be no assurance that the Fund will achieve its objective. Under normal circumstances the Fund invests at least 80% of its net assets, plus any borrowing for investment purposes, in securities issued by companies principally engaged in the financial services sector. Some important risks of an investment in the Fund are: **common stock risk:** an adverse event may have a negative impact on a company and could result in a decline in the price of its common stock; **credit risk:** The issuer of a fixed income security (potentially even the U.S. Government) may be unable to make timely payments of interest and principal; **depository receipts risk:** depository receipts may trade at a discount (or premium) to the underlying security and may be less liquid than the underlying securities listed on an exchange; **emerging market risk:** securities of issuers in emerging and developing markets may present risks not found in more mature markets; **fees and expenses risk:** the Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund; **financial services risk:** investing a significant portion of assets in the financial services sector may cause the Fund to be more sensitive to systemic risk, regulatory actions,

changes in interest rates, non-diversified loan portfolios, credit, and competition; **focused portfolio risk:** investing in a limited number of companies causes changes in the value of a single security to have a more significant effect on the value of the Fund's total portfolio; **foreign country risk:** foreign companies may be subject to greater risk as foreign economies may not be as strong or diversified. As of December 31, 2018, the Fund had approximately 16.0% of assets invested in foreign companies; **foreign currency risk:** the change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency; **headline risk:** the Fund may invest in a company when the company becomes the center of controversy. The company's stock may never recover or may become worthless; **interest rate sensitivity risk:** interest rates may have a powerful influence on the earnings of financial institutions; **large-capitalization companies risk:** companies with \$10 billion or more in market capitalization generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies; **manager risk:** poor security selection may cause the Fund to underperform relevant benchmarks; **mid- and small-capitalization companies risk:** companies with less than \$10 billion in market capitalization typically have more limited product lines, markets and financial resources than larger companies, and may trade less frequently and in more limited volume; and **stock market risk:** stock markets have periods of rising prices and periods of falling prices, including sharp declines. See the prospectus for a complete description of the principal risks.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar risk-adjusted return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™

metrics. The weights are: 100% three-year rating for 36–59 months of total returns, 60% five-year rating/40% three-year rating for 60–119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

**Davis Financial Fund ("Fund") and Financial Select Sector SPDR Fund ("XLF").** The Fund seeks long-term growth of capital while XLF seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Financial Select Sector Index. The Fund has a sales charge of up to 4.75% while XLF can only be purchased on an exchange with no sales charge but may incur transaction costs (e.g., customary brokerage commissions). The Fund's expense ratio is 0.98% and that of XLF is 0.14%. Shares of the Fund can only be bought or sold at that day's NAV through a financial intermediary. Shares of XLF can only be bought and sold on an exchange at the current market price. Shares cannot be individually redeemed. Capital gains of the Fund may be passed on to shareholders annually while capital gains tax on XLF is incurred only upon the sale of the shares.

We gather our index data from a combination of reputable sources, including, but not limited to, Thomson Financial, Lipper and index websites.

Financial Service funds invest primarily in equity securities of domestic companies engaged in providing financial services, including but not limited to banks, finance companies, insurance companies, and securities/brokerage firms.

The S&P 500 Financials is a capitalization-weighted index that tracks the companies in the financial sector as a subset of the S&P 500 Index. Investments cannot be made directly in an index.

After April 30, 2019, this material must be accompanied by a supplement containing performance and rating data for the most recent quarter end.

The Equity Specialists is a service mark of Davis Selected Advisers, L.P.

**Shares of the Davis Funds are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including possible loss of the principal amount invested.**